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November 2, 1994

NOV 2 1994

William F. Caton
Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: Notification of Permitted Written Ex Parte Presentation in MM Docket No. 92-266

Dear Mr. Caton:

Discovery Communications, Inc. ("Discovery"), by its attorneys and pursuant to Section 1.1206(a)(1) of the Commission's rules, hereby submits two copies of the attached permitted written _ex parte_ presentation to the indicated Commission officials regarding MM Docket No. 92-266. Kindly direct any questions regarding this matter to the undersigned.

Respectfully submitted,

Peter D. Ross

Peter D. Ross

PDR/lar
Attachments

No. of Copies rec'd 0+2
List A B C D E

DISCOVERY COMMUNICATIONS, INC.

THE Discovery CHANNEL

TLC THE LEARNING CHANNEL®

JOHN S. HENDRICKS
Chairman and
Chief Executive Officer

November 2, 1994

Chairman Reed E. Hundt
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: Permitted Written Ex Parte
Presentation in MM Docket No. 92-266
Cable Rate Regulation

Dear Chairman Hundt:

As you proceed with what I understand are your final deliberations on new "going forward" incentives for cable operator investment in programming, the lingering stagnation in the programming marketplace only underscores the importance of your impending decision. While your decision will surely provide the greater regulatory certainty our business so eagerly needs, I wanted to express my concern over a certain aspect of the regulatory treatment of newly added program services reportedly under consideration.

Specifically, this worrisome, previously unreported provision would apparently deny operators any mark-up on license fee increases for services added pursuant to the new channel addition mark-up approach. Indeed, it is unclear whether these license fee increases for newly added channels would be denied not just the 7.5 percent mark-up currently available for all program services, but also continued external treatment that allows operators full recovery of programming cost increases that exceed inflation.

Such a disincentive for continued operator support for newly added services would work to undermine the Commission's long-considered efforts to restore a dynamic programming marketplace. Even if the initial mark-up the Commission ultimately allows for added program services proves adequate to get emerging program services launched on a significant number of cable systems nationwide, the ability of those services to offer viewers innovative, captivating

DISCOVERY COMMUNICATIONS, INC.
7700 Wisconsin Avenue | Bethesda, Maryland | 20814-3579 | TEL 301.986.1999

programming and thus compete effectively in the marketplace against long-established services would be severely handicapped. Cable operators would be denied the incentive to support these new services as they seek greater license fees to fund the heightened quality of their programming fare. These services thus might be launched, but they will be denied the opportunity to grow and flourish.

As the owner and operator of both an established program service -- The Discovery Channel -- and an emerging one -- The Learning Channel -- Discovery Communications, Inc. has urged throughout this proceeding that the Commission restore incentives for operator investment in programming on terms fair to all classes of programmers. If new "going forward" rules are indeed intended to foster not just the launch but also the long-term viability of emerging and existing program services alike, the Commission should clearly reject any such preemptive strike against necessary future license fee increases for newly added program services.

Thank you for the continued opportunity to present my views on these matters of great consequence to programmers and the viewing public we seek to serve.

Sincerely,

John S. Hendricks

cc: Meredith Jones
FCC Secretary (2 copies)

DISCOVERY COMMUNICATIONS, INC.

THE Discovery CHANNEL

TLC THE LEARNING CHANNEL

JOHN S. HENDRICKS
Chairman and
Chief Executive Officer

November 2, 1994

Commissioner Andrew C. Barrett
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: Permitted Written Ex Parte
Presentation in MM Docket No. 92-266
Cable Rate Regulation

Dear Commissioner Barrett:

As you proceed with what I understand are your final deliberations on new "going forward" incentives for cable operator investment in programming, the lingering stagnation in the programming marketplace only underscores the importance of your impending decision. While your decision will surely provide the greater regulatory certainty our business so eagerly needs, I wanted to express my concern over a certain aspect of the regulatory treatment of newly added program services reportedly under consideration.

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Commissioner Andrew C. Barrett
Federal Communications Commission
November 2, 1994
Page Two

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Sincerely,

John S. Hendricks

cc: FCC Secretary (2 copies)

DISCOVERY COMMUNICATIONS, INC.

JOHN S. HENDRICKS
Chairman and
Chief Executive Officer

November 2, 1994

Commissioner Rachelle B. Chong
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: Permitted Written Ex Parte
Presentation in MM Docket No. 92-266
Cable Rate Regulation

Dear Commissioner Chong:

As you proceed with what I understand are your final deliberations on new "going forward" incentives for cable operator investment in programming, the lingering stagnation in the programming marketplace only underscores the importance of your impending decision. While your decision will surely provide the greater regulatory certainty our business so eagerly needs, I wanted to express my concern over a certain aspect of the regulatory treatment of newly added program services reportedly under consideration.

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John S. Hendricks

cc: FCC Secretary (2 copies)

DISCOVERY COMMUNICATIONS, INC.

The Discovery Channel | TLC The Learning Channel®

JOHN S. HENDRICKS
Chairman and
Chief Executive Officer

November 2, 1994

Commissioner Susan Ness
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: Permitted Written Ex Parte
Presentation in MM Docket No. 92-266
Cable Rate Regulation

Dear Commissioner Ness:

As you proceed with what I understand are your final deliberations on new "going forward" incentives for cable operator investment in programming, the lingering stagnation in the programming marketplace only underscores the importance of your impending decision. While your decision will surely provide the greater regulatory certainty our business so eagerly needs, I wanted to express my concern over a certain aspect of the regulatory treatment of newly added program services reportedly under consideration.

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John S. Hendricks

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DISCOVERY COMMUNICATIONS, INC.

THE Discovery CHANNEL | TLC THE LEARNING CHANNEL®

JOHN S. HENDRICKS
Chairman and
Chief Executive Officer

November 2, 1994

Commissioner James H. Quello
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Re: Permitted Written Ex Parte
Presentation in MM Docket No. 92-266
Cable Rate Regulation

Dear Commissioner Quello:

As you proceed with what I understand are your final deliberations on new "going forward" incentives for cable operator investment in programming, the lingering stagnation in the programming marketplace only underscores the importance of your impending decision. While your decision will surely provide the greater regulatory certainty our business so eagerly needs, I wanted to express my concern over a certain aspect of the regulatory treatment of newly added program services reportedly under consideration.

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